

## Message Text

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ORIGIN EB-07

INFO OCT-01 NEA-10 IO-13 ISO-00 L-03 AGR-05 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00

CIEP-01 FRB-03 OMB-01 /061 R

DRAFTED BY EB/FTD:WRBREW:CSH

APPROVED BY EB/FTD:CANGEVINE

NEA/PAB:JPMULLIGAN

EB/GCP:SAHMAD

L/EB:CROH (SUBS)

STR:MBSMITH

COMMERCE:AGAREL

LABOR:EHABBERTON

NEA/RA:DMORRISON (SUBS)

----- 008558

R 042110Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD

INFO USMISSION GENEVA

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E.O11652: N/A

TAGS: ETRD, PK, GATT

SUBJECT: GSP CONSIDERATION FOR HAND KNOTTED RUGS

REF: (A) ISLAMABAD 7138 (B) ISLAMABAD 6914 (C) ISLAMABAD

-- 0631 (D) ISLAMABAD 11779 (1975) (E) STATE 31268

-- (F) STATE 7171

GENEVA FOR PHELAN

1. PAKISTANIS HAVE LEFT TWO AIDES-MEMOIRE  
CONCERNING GSP CONSIDERATION FOR HAND KNOTTED RUGS. ONE  
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AIDE-MEMOIRE, DATED APRIL 6, 1976, AT ISLAMABAD, SETS OUT

PAKISTANI REQUEST FOR, AND LEGAL ARGUMENTS IN FAVOR OF,  
G-P TREATMENT FOR RUGS; THE SECOND, OF JUNE 2, 1976 IN  
WASHINGTON, REITERATES REQUEST.

2. REQUEST EMBASSY RESPOND TO APRIL 6 CONTACT WITH  
FOLLOWING TEXT: BEGIN QUOTE

-- LEGISLATIVE AUTHORITY FOR THE GRANT BY THE UNITED  
STATES OF GENERALIZED PREFERENCES TO IMPORTS FROM ELIGIBLE  
COUNTRIES IS CONTAINED IN TITLE V OF THE TRADE ACT OF 1974.  
SECTION 503 (C) (1) (A) OF THAT ACT PROHIBITS THE PRESIDENT  
OF THE UNITED STATES FROM DESIGNATING ANY TEXTILE AND  
APPAREL ARTICLE SUBJECT TO TEXTILE AGREEMENTS AS AN ARTICLE  
ELIGIBLE FOR GENERALIZED PREFERENCES.

-- THE UNITED STATES HAS BILATERAL AGREEMENTS COVERING  
COTTON, MAN-MADE FIBER AND WOOL TEXTILE PRODUCTS WITH  
SEVERAL COUNTRIES. THE PRODUCTS COVERED BY THESE AGREEMENTS  
ARE BROKEN DOWN INTO CATEGORIES WHICH ARE CORRELATED WITH  
PRODUCT CLASSIFICATIONS IN THE UNITED STATES TARIFF  
SCHEDULE. AS THE MINISTRY HAS NOTED, HAND KNOTTED WOOL  
CARPETS ARE, DEPENDING ON THEIR VALUE PER SQUARE FOOT,  
CLASSIFIABLE UNDER U.S. TARIFF SCHEDULE NUMBERS 360.10  
AND 360.15. AS INDICATED IN THE "CORRELATION: TEXTILE  
AND APPAREL CATEGORIES WITH TARIFF SCHEDULES OF THE UNITED  
STATES ANNOTATED," ALL PRODUCTS UNDER THESE NUMBERS ARE  
INCLUDED WITHIN TEXTILE CATEGORY 132. BECAUSE TEXTILE  
CATEGORY 132 IN TURN IS INCLUDED IN U.S. BILATERAL AGREEMENTS  
COVERING WOOL TEXTILES, ALL PRODUCTS WITHIN TSUSA  
NUMBERS 360.10 AND 360.15, INCLUDING HAND KNOTTED CARPETS,  
ARE SUBJECT TO THOSE TEXTILE AGREEMENTS COVERING CATEGORY  
132. (THE UNITED STATES HAS SUCH AGREEMENTS WITH KOREA,  
HONG KONG, JAPAN, AND MEXICO AMONG OTHER COUNTRIES.)  
CONSEQUENTLY, UNDER THE TERMS OF THIS AUTHORIZING LEGIS-  
LATION, SUCH HAND KNOTTED CARPETS MAY NOT AT THIS TIME  
BE DESIGNATED AS ELIGIBLE FOR GENERALIZED PREFERENCES.

-- THE MINISTRY'S AIDE-MEMOIRE MENTIONS THE PROVISION  
IN ARTICLE 12:3 OF THE ARRANGEMENT REGARDING INTERNATIONAL  
TRADE IN TEXTILES (MFA) STATING THAT THE ARRANGEMENT  
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SHALL NOT APPLY TO . . . TRADITIONAL FOLKLORE HANDICRAFT  
TEXTILES PRODUCTS . . ." TWO POINTS REGARDING THIS  
PROVISION OF THE MFA SHOULD BE BORNE IN MIND. FIRST, THE  
LACK OF APPLICATION OF THE MFA TO PARTICULAR TEXTILE  
PRODUCTS DOES NOT NECESSARILY PREVENT BILATERAL AGREEMENT  
CONCERNING SUCH PRODUCTS. SECOND, IN IMPLEMENTING THE  
U.S. GENERALIZED SYSTEM OF PREFERENCES, U.S. AUTHORITIES  
MUST BE GUIDED BY THE PROVISIONS OF DOMESTIC ENABLING

LEGISLATION AND THE ACTUAL PRODUCT COVERAGE OF U.S.  
BILATERAL TEXTILE AGREEMENTS.

-- AS THE ABOVE INDICATES, U.S. AUTHORITIES DO NOT FEEL  
ABLE AT THIS TIME TO CONSIDER PAKISTAN'S HAND KNOTTED  
CARPETS FOR INCLUSION UNDER THE U.S. GENERALIZED SYSTEM  
OF PREFERENCES. THE U.S. GOVERNMENT IS, HOWEVER,  
CURRENTLY EXPLORING POSSIBILITIES FOR ENABLING THESE  
PRODUCTS TO BE CONSIDERED. OF COURSE, SHOULD MEANS BE  
FOUND TO ENABLE CONSIDERATION OF HAND KNOTTED CARPETS  
FOR THE U.S. GENERALIZED SYSTEM OF PREFERENCE, THEIR  
ELIGIBILITY WILL THEN BE DETERMINED PURSUANT TO SECTION  
503 OF THE TRADE ACT OF 1974. END QUOTE.

3. DEPARTMENT WILL FURNISH COPY OF ABOVE LANGUAGE  
TO PAKISTAN EMBASSY AS RESPONSE TO JUNE 2 AIDE-MEMOIRE.  
HABIB

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, GENERALIZED PREFERENCES (TARIFFS), FLOOR COVERINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** saccheem  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE193222  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** WRBREW:CSH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760301-0592  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760885/aaaacwvl.tel  
**Line Count:** 132  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 ISLAMABAD 7138, 76 ISLAMABAD 6914  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** saccheem  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 MAY 2004 by buchant0>; APPROVED <16 SEP 2004 by saccheem>  
**Review Markings:**

Margaret P. Grafeld  
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US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GSP CONSIDERATION FOR HAND KNOTTED RUGS  
**TAGS:** ETRD, PK, GATT  
**To:** ISLAMABAD  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006